

Message Text

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ACTION IO-14

INFO OCT-01 CIAE-00 CU-04 INR-10 NSAE-00 RSC-01 USIE-00

AF-10 ARA-16 EA-11 EUR-25 NEA-10 ISO-00 ABF-01 OMB-01

TRSE-00 SS-15 NSC-10 L-03 IOE-00 SSO-00 NSCE-00

INRE-00 DRC-01 PA-03 PRS-01 OIC-04 SPC-03 /144 W

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O 171205Z SEP 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 3220

UNCLAS SECTION 1 OF 2 PARIS 24366

NESCO

E.O. 11652: N/A

TAGS: AORG, AFIN, UNESCO

SUBJECT: UNESCO DGS DRAFT RESOLUTION ON BUDGET DEFICIT

REF: A) STATE 183796; B) PARIS 24335; C) PARIS 24336

FOLLOWING IS TEXT OF DRAFT RESOLUTION SUBMITTED TO EXECUTIVE BOARD SEPT 17 BY DIRECTOR-GENERAL TO MEET ORGANIZATION'S BUDGET DEFICIT:

QUOTE: THE EXECUTIVE BOARD,

1. HAVING REVIEWED THE SUPPLEMENTARY ESTIMATES AND THE RELATED PROPOSALS OF THE DIRECTOR-GENERAL (DOCUMENT 93 EX/15 ADD.) CONCERNING THE EXTRA COSTS OF \$15,852,100 TO THE ORGANIZATION'S BUDGET FOR 1973-1974, AS A CONSEQUENCE OF THE DEVALUATION OF THE UNITED STATES DOLLAR AND SUBSEQUENT CHANGES IN ITS VALUE, AND THE REPORT OF ITS FINANCE AND ADMINISTRATIVE COMMISSION THEREON (DOCUMENT 93 EX/),

2. AFFIRMS THAT THE SUPPLEMENTARY ESTIMATES PREPARED BY THE DIRECTOR-GENERAL ARE TECHNICALLY SOUND AND REASONABLE
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IN LIGHT OF THE LATEST AVAILABLE INFORMATION,

3. NOTING THE SAVINGS AND TRANSFERS WITHIN PARTS I TO IV OF THE BUDGET WHICH HAVE BEEN EFFECTED TO MEET THE INFLATION COSTS ESTIMATED AT \$7,847,900.

4. IS OF THE OPINION THAT ANY FURTHER REDUCTIONS IN ACTIVITIES WILL HAVE A DETRIMENTAL EFFECT ON THE EXECUTION OF THE PROGRAMME APPROVED BY THE GENERAL CONFERENCE AT ITS SEVENTEENTH SESSION;

5. DECIDES, IN ACCORDANCE WITH FINANCIAL REGULATION 3.9, TO SUBMIT TO THE GENERAL CONFERENCE AT ITS THIRD EXTRAORDINARY SESSION FOR ITS FAVOURABLE CONSIDERATION THE SUPPLEMENTARY ESTIMATES PREPARED BY THE DIRECTOR-GENERAL (DOCUMENT 3 EX/GC/);

6. RECOMMENDS THAT THE GENERAL CONFERENCE AT THIS THIRD EXTRAORDINARY SESSION ADOPT THE FOLLOWING RESOLUTION:
"THE GENERAL CONFERENCE,
HAVING EXAMINED THE SUPPLEMENTARY ESTIMATES FOR 1973-1974 PREPARED BY THE DIRECTOR-GENERAL, IN ACCORDANCE WITH FINANCIAL REGULATION 3.8, TO MEET THE EXTRA COSTS OF \$15,852,100 RESULTING FROM THE DEVALUATION OF THE UNITED STATES DOLLAR AND SUBSEQUENT CHANGES IN ITS VALUE, AND THE RECOMMENDATIONS OF THE EXECUTIVE BOARD THEREON (DOCUMENT 3 EX/GC),

I

(A) GIVES ITS FINAL APPROVAL TO THE SUPPLEMENTARY ESTIMATES PROVISIONALLY APPROVED BY THE EXECUTIVE BOARD, IN ACCORDANCE WITH FINANCIAL REGULATION 3.9, AT ITS 92ND SESSION (92 EX/DECISION 6.12);

(B) APPROVES THE SUPPLEMENTARY ESTIMATES FOR 1973/1974 AS SET FORTH BELOW WHICH INCLUDE THOSE MENTIONED IN PARAGRAPH (A) ABOVE AND DECIDES THAT THEY SHALL BE ADDED TO THE APPROPRIATIONS APPROVED BY THE GENERAL CONFERENCE AT ITS SEVENTEENTH SESSION:

APPROPRIATION LINE	AMOUNT
	\$

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OPERATING BUDGET PART I - GENERAL POLICY

1. GENERAL CONFERENCE	109,400
2. EXECUTIVE BOARD	170,000

3. DIRECTOR-GENERAL	55,200
4. EXTERNAL AUDIT	24,100
5. JOINT INSPECTION	25,000

TOTAL, PART I	383,700
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PART II - PROGRAMME OPERATIONS AND SERVICES

1. EDUCATION	3,489,900
1A. INTERNATIONAL BUREAU OF EDUCATION	246,200
2. NATURAL SCIENCES AND THEIR APPLICATION TO DEVELOPMENT	1,917,100
3. SOCIAL SCIENCES, HUMANITIES AND CULTURE	1,573,700
4. COMMUNIATION	2,109,500
5. INTERNATIONAL STANDARDS, RELATIONS AND PROGRAMMES	145,800

TOTAL, PART II	9,482,200
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PART III - GENERAL ADMINISTRATION AND
PROGRAMME SUPPORTING SERVICES

2,687,100

PART IV - PUBLICATIONS, DOCUMENTS AND
TRANSLATION SERVICES

1. OFFICE OF PUBLICATIONS	356,300
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2. BUREAU OF CONFERENCES, LANGUAGES AND DOCUMENTS	1,190,300
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TOTAL, PART IV	1,546,600
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PART V - COMMON SERVICES	1,675,600
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PART IV - APPROPRIATION RESERVE

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INFO OCT-01 CIAE-00 CU-04 INR-10 NSAE-00 DRC-01 USIE-00

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INRE-00 PA-03 PRS-01 OIC-04 SPC-03 /144 W

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TOTAL, OPERATING BUDGET 15,775,200

INVESTMENT BUDGET

PART VII - CAPITAL EXPENDITURE 76,900

TOTAL 15,852,100

II

(C) DECIDES THAT, NOTWITHSTANDING ARTICLE 5.2 (C) OF THE FINANCIAL
REGULATIONS, THE CONTRIBUTIONS RESULTING FROM THE ASSESSMENTS ON NEW
MEMBER STATES FOR THE YEARS 1973 AND 1974 SHALL BE ACCEPTED AS MISCEL

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LANEOUS INCOME FOR 1973-1974 AND USED TO REDUCE ASSESSMENTS ON
MEMBER STATES IN THAT FINANCIAL PERIOD,

(D) DECIDES FURTHER THAT THE SUPPLEMENTARY APPROPRIATION ABOVE
SHALL BE FINANCED BY CONTRIBUTIONS FROM
MEMBER STATES IN ACCORDANCE WITH THE SCALE OF ASSESSMENTS ESTABLISHED
BY THE GENERAL CONFERENCE AT ITS SEVENTEENTH SESSION. IT IS
UNDERSTOOD THAT ANY STATE WHICH BECAME A MEMBER OF THE ORGANIZA-
TION AFTER THE ESTABLISHMENT OF THAT SCALE OF ASSESSMENTS WILL
ALSO BE ASSESSED IN ACCORDANCE WITH THE PRINCIPLES ESTABLISHED BY THE
GENERAL CONFERENCE AT ITS SEVENTEENTH SESSION IN RESOLUTION 15.11,
AND AFTER CONSULTATION WITH THE UNITED NATIONS COMMITTEE ON
CONTRIBUTIONS.

(E) APPROVES, FOR PURPOSES OF ASSESSING CONTRIBUTIONS FOR THIS

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SUPPLEMENTARY APPROPRIATION, AND ESTIMATE OF \$1,500,000 OF ADDITIONAL MISCELLANEOUS INCOME FOR 1973-1974,

(F) REQUESTS MEMBER STATES TO REMIT THEIR ASSESSED CONTRIBUTIONS ACCORDING TO THE FOLLOWING SCHEDULE:

(I) MEMBER STATES SHALL PAY THEIR PORTION OF AN MOUNT OF \$10,000,000 AT THE TIME THEY PAY THEIR ANNUAL CONTRIBUTIONS FOR 1974.

(II) MEMBER STATES SHALL PAY THEIR PORTION OF THE REMAINING AMOUNT OF \$4,352,100 UPON RECEIPT OF A

COMMUNICATIONS FROM THE DIRECTOR-GENERAL, TO BE SENT WITH THE PRIOR APPROVAL OF THE EXECUTIVE BOARD ON THE BASIS OF A FURTHER REVIEW, IN THE COURSE OF 1974, OF THE FINANCIAL SITUATION OF THE ORGANIZATION.

(G) NOTES THE DIRECTOR-GENERAL'S STATEMENT THAT IN THE EVENT THAT THE ACTUAL RATE OF EXCHANGE BETWEEN THE UNITED STATES AND THE FRENCH FRANCS IS LOWER THAN THAT ASSUMED IN THE SUPPLEMENTARY ESTIMATES (E.E. THE VALUE OF THE UNITED STATES DOLLAR WOULD FURTHER DETERIORATE), HE WILL PROPOSE APPROPRIATE MEASURES TO COPE WITH THE PREVAILING SITUATION TO THE EXECUTIVE BOARD AND, IF NECESSARY SESSION.

CONSCIOUS OF THE RISK THAT THE RATE OF PAYMENT OF THE SUPPLEMENTARY CONTRIBUTIONS MAY NOT BE RAPID ENOUGH TO COVER THE AUTHORIZED EXPENDITURE.

(H) AUTHORIZES THE DIRECTOR-GENERAL, WHEN IT BECOMES NECESSARY, TO NEGOTIATE AND CONTRACT SHORT-TERM LOANS WITH LENDERS OF HIS CHOICE WITHIN THE LIMITS OF THE APPROVED SUPPLEMENTARY APPROPRIATIONS.

(I) APPEALS TO MEMBER STATES TO CONSIDER THE POSSIBILITY OF OFFERING LOANS TO THE ORGANIZATION ON CONDITIONS MORE FAVOURABLE THAN THOSE PREVAILING ON THE COMMERCIAL MARKET OR, IF NECESSARY, OF GUARANTEEING THE COMMERCIAL LOANS."

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